

Put Our Neighbors to Work Act

**Rep. Andy Kim, Rep. John Garamendi,
Rep. Donald Norcross, Rep. August Pfluger**

The Issue

- Local contractors and small businesses continue to stress difficulty with being cut out of the hiring process for military construction (MilCon) contracts with DoD. The DoD's current award process does not do enough to prioritize utilizing local labor for construction projects on military bases that are so critical to many of the surrounding communities.
- The Put our Neighbors to Work Act attempts to address this by putting in place good government measures and providing incentives for the use of local business for MilCon contracts within DoD.

Part 1: Increase Transparency and Competition

- The Put Our Neighbors to Work Act directs DoD to publicly post all military construction (MilCon) contracts once awarded in the Federal Register, identifying who got the contract, the total dollar amount for the work, the base, and other relevant information. All of this is already public information and subject to the Freedom of Information Act (FOIA). Requiring it to be posted online in the Federal Register will increase public transparency over MilCon contracts (good government) and help make other contractors aware that these business opportunities exist with the Department of Defense.

Part 2: Incentivizing use of local firms and increasing Congressional oversight

- The Secretary of Defense will give preference to those firms that are within the same state or within a 60-mile radius of where the work will be completed.
- Requires major general contractors (so-called "primes") for MilCon projects to publicly post all their available subcontracting work of \$250,000 or more on the websites of the Small Business Administration/General Services Administration, so that more small businesses can be aware of these business opportunities. Small business and local subcontractors near military installations cannot bid on subcontracting work they do not know exists, so this provision aims to fix that.
- To further increase transparency, the Secretary of Defense will be required to notify members of Congress from the state where a MilCon contract over \$2M was awarded. This is the same dollar threshold that triggers a Congressional notification requirement for "unspecified minor military construction projects" under current law and we are expanding upon that precedent.
- Increases military committees oversight ability on military construction through monthly re-starting Military Construction Reports that includes: each covered MilCon contract, location, who the prime and subcontractors are, and the estimated value of each contract.
- Classified projects are exempted.

Part 3: For Small Businesses

- Prime Contractors will be incentivized to use subcontractors that are in the same state or within a 60-mile radius of the contract location.